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Office of Enforcement
Compliance & Environmental
Justice

Administrator
Enforcement Division
Department of Environmental Quality
1520 E. Sixth Avenue
P. O. Box 200901
Helena, Montana 59620-0901

July 12, 2007

**DOCKET No.: HW-07-01
EAST HELENA SITE
QUARTELY PROGRESS REPORT
APRIL 2007 - JUNE 2007**

Dear Administrator:

On February 15, 2005, Asarco Incorporated (the entity to which Asarco LLC (Asarco) is the successor) and the Montana Department of Environmental Quality (Department) entered into a Consent Decree (Decree) to resolve alleged violations of the Montana Hazardous Waste Act and the Montana Administrative Code. The 2005 Decree expired on December 31, 2006.

Asarco and the Department are preparing a new 2007 Administrative Order on Consent (2007 Order), which will allow Asarco to continue with the cleanup processes established under the work plan provisions of the 2005 Decree. The 2007 Order will require Asarco to develop and implement a yearly work plan for calendar years 2007-2012 to remove, store, and properly dispose or recycle all remaining hazardous waste and/or secondary material located in the process units, pollution control devices, and storage units and other identified areas of the facility.

On May 18, 2007, Asarco submitted to the Department the 2007 Cleaning and Demolition Project (Work Plan) that describes the management activities for calendar year 2007. On June 13, 2007, the Department tentatively approved the Work Plan.

Section 5.1 of the Work Plan requires Asarco to submit quarterly Work Plan Reports to the Department that discuss the actions taken by Asarco under the Work Plan. The following report describes those activities that have occurred or are related to projects performed under the tentatively approved Work Plan from April 2007 through June 2007.

a. A description of the portion of the Work Plan completed;

On June 26, 2007, the Department conducted an inspection of the Work Plan cleaning and demolition activities. The focus of the inspection was to review universal waste, asbestos, and other material management practices.

The following discussion summarizes the Work Plan activities that were completed during the second quarter 2007 reporting period.

During the second quarter 2007, Asarco focused its activities towards management of asbestos containing material and universal wastes. Asbestos containing material has been removed from, but not limited to the 1) outer roofing on the three sections of the blast furnace baghouse, 2) outer roofing on the thawhouse, 2) flooring in the sample mill and high grade buildings, 4) packing in the acid waster cooling system, 5) complete siding (less one side) and roofing on the acid decolorization building, 6) complete siding and roofing on equipment storage building, 7) complete siding and roofing on the soda ash building, 8) complete siding and roofing on the charge floor building, 9) complete roofing in the main shop, 10) caulking in the blast furnace areas, carpenter shop, zinc plant powerhouse, and auto shop, 11) outer roofing on the former zinc plant power house, 12) complete roofing on the former car wash, 13) partial roofing on pump house, and 14) insulation on the oil shed. Fans, blowers, and compressors have been removed from the main powerhouse to gain access to the asbestos containing ceiling. Universal and other wastes in the form of fluorescent light bulbs, high intensity discharge lamps, light ballast containing PCB, mercury containing switches, liquid reagents, and refrigerant are being systematically removed from numerous structures and equipment within the cleaning and demolition areas.

b. Summaries of all deviations from the approved Work Plan during the reporting period;

There were no deviations from the Work Plan during the reporting period.

c. Summaries of all problems or potential problems encountered during the reporting period;

Asarco contemplates placing the waste material generated from the 2007 Work into a Corrective Action Management Unit (CAMU) Phase 2 cell. Asarco anticipated beginning construction of the CAMU Phase 2 cell by April 1, 2007 to maximize the amount of cleaning and demolition proposed in the 2007 Work Plan.

In preparation for its construction, Asarco provided to EPA and the Department advance notification of the approach that would be taken for the design of the CAMU Phase 2 cell. In its July 16, 2006 letter, Asarco explained that the CAMU Phase 2 cell would look much the same as the previous CAMU Phase 1 cell including a 1) bottom liner system, 2) leak detection system, 3) leachate collection

system, 4) gas migration system, and 5) cover system. The design of the CAMU Phase 2 Cell relied upon geotechnical investigations previously conducted for the CAMU Phase 1 cell.

In January 2007, Asarco submitted the CAMU Phase 2 Cell Design Analysis Report to EPA, with supplemental appendices submitted in February and March 2007. In April 2007, Asarco received EPA and Department comments to these submittals. Following a series of Asarco questions and EPA responses, a revised Design Analysis Report, CAMU Phase 2 cell (May 2007) was submitted to EPA on May 4, 2007. EPA submitted initial and additional comments to Asarco's May 4, 2007 submittal, in which Asarco responded on June 13, 2007 by submitting the Design Analysis Report, CAMU Phase 2 cell (June 2007) replacement pages.

Asarco continues to await EPA approval for construction of the CAMU Phase 2 cell. The inability to construct the CAMU Phase 2 cell within a timely fashion has severely hampered Asarco's ability to fully execute the activities set forth in the Work Plan. Once the CAMU Phase 2 cell is approved, Asarco will submit a revised Work Plan to reflect activities that can take place during calendar year 2007.

d. Projected work for the next reporting period;

Asarco is scheduled to continue with cleaning and demolition of the facilities set forth in the Work Plan during the third quarter 2007.

e. Documentation of all shipments of recyclable materials and hazardous wastes off-site including shipping papers such as manifests (if required);

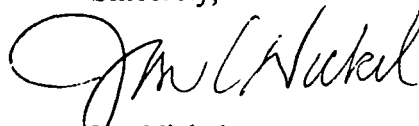
There were no shipments of recyclable material or hazardous wastes associated with the Work Plan that took place during the second quarter 2007.

f. Description of each shipment of reclaimed or recycled material made during the preceding quarter indicating how the material is managed, handled, or treated for recovery or recycling that demonstrates that it has value. The information to be submitted to the Department in making a successful stewardship demonstration is (1) acceptance criteria required by the receiving facility (expressed as a minimum threshold of recoverable metals and maximum allowable toxic metals), (2) a demonstration that the receiving facility is in compliance with all applicable environmental requirements, (3) a copy of the contractual agreement between Asarco, its broker and the receiving facility, (4) the name of the state or provincial regulatory contact and facility contact.

There were no shipments of reclaimed or recycled material associated with the Work Plan during the second quarter 2007.

If you should need any further explanation or assistance with the information contained in this quarterly progress report, please feel free to contact me.

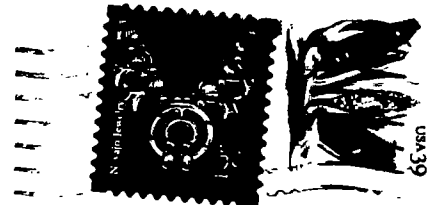
Sincerely,



Jon Nickel

Cc: RCRA Project Manager

ASARCO
East Helena Plant
100 Smelter Rd.
P.O. Box 1230
East Helena, MT 59635



LINDA JACOBSON
USEPA REGION VIII
1595 WYNKOOP STREET
DENVER, COLORADO 80202-1129

802021129 C062

